

Message Text

LIMITED OFFICIAL USE

PAGE 01 TEL AV 05022 111421Z
ACTION NEA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-01 INR-07
L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15
USIA-06 IO-13 ACDA-07 OMB-01 TRSE-00 SSM-03 /080 W
-----006290 111729Z /53
R 111334Z JUVL 77
FM AMEMBASSY TEL AVIV
TO SECSTATE WASHDC 7150

LIMITED OFFICIAL USE TEL AVIV 5022

E.O. 11652: N/A
TAGS: EFIN, IS
SUBJECT: INTERIM BUDGET

REF: TEL AVIV 1931

1. BEGIN UNCLASSIFIED. A TWO-MONTH INTERIM BUDGET WAS SUBMITTED TO THE KNESSET JULY 6. THE PREVIOUS GOVERNMENT WAS UNABLE TO GAIN KNESSET APPROVAL FOR ITS FY 77-78 BUDGET BEFORE THE ELECTIONS, AND GOI MINISTRIES HAVE BEEN OPERATING UNDER A FOUR-MONTH INTERIM BUDGET THAT IS DUE TO EXPIRE JULY 31. THE NEW INTERIM BUDGET WILL ALLOW EACH DEPARTMENT TO SPEND UP TO 45 PERCENT OF THE AMOUNT ALLOTTED IN THE PROPOSED (BUT NOT PASSED) IL 122.5 MILLION BUDGET BY SEPTEMBER 30. END UNCLASSIFIED.

2.BEGIN LIMITED OFFICIAL USE. COMMENT: AS NOTED REFTEL, THE ORIGINAL BUDGET'S PREMISES WERE ENTIRELY UNDERMINED BY THE MAJOR WAGE CONCESSIONS WON PRIOR TO THE ELECTIONS. THE NEW INTERIM BUDGET WILL GIVE THE GOVERNMENT SOME BREATHING SPACE TO REVISE THE ORIGINAL PROPOSAL, EITHER BY RAISING TAXES OR CUTTING OUTLAYS TO BRING THE BUDGET DEFICIT INTO MANAGEABLE
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PROPORTIONS. AT CURRENT RATES, THE BUDGET DEFICIT COULD AMOUNT TO IL 13 BILLION INSTEAD OF THE HOPED-FOR IL 5 BILLION. IN THE ABSENCE OF BUDGET CUTS, THE INFLATIONARY FISCAL STIMULUS WOULD HAVE TO BE OFFSET BY FURTHER STRINGENCY IN MONETARY POLICY, A METHOD COMPLICATED BY THE GOI'S FUNDING THE BUDGET DEFICIT

THROUGH BORROWING FROM THE BANK OF ISRAEL.
LEWIS

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NNN

*** Current Handling Restrictions *** n/a

*** Current Classification *** LIMITED OFFICIAL USE

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: GOVERNMENT BUDGET
Control Number: n/a
Copy: SINGLE
Sent Date: 11-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977TELAV05022
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: n/a
Errors: n/a
Expiration:
Film Number: D770246-0206
Format: TEL
From: TEL AVIV
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t197707101/aaaafzjj.tel
Line Count: 68
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON MICROFILM, TEXT ON-LINE
Message ID: ab008762-c288-dd11-92da-001cc4696bcc
Office: ACTION NEA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 TEL AVIV 1931
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 22-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1724562
Secure: OPEN
Status: <DBA CORRECTED> sph 970911
Subject: INTERIM BUDGET
TAGS: EFIN, IS
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/ab008762-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
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